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NEWSLETTER

A Bimonthly Newsletter for Economic Research Service Employees and Colleagues

DEC 1 1987

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U.S. Department of Agriculture
Washington, DC

VOLUME 5, NUMBER 4
JULY/AUGUST 1987

ERS Holds Regional Situation and Outlook Conference

ERS analysts recently conducted a regional outlook conference in Minneapolis. The one-day session was devoted to reporting on the agricultural situation and outlook and getting user feedback on the ERS program. Agribusiness, university, and government representatives attended the conference, the first in a series of regular sessions designed to improve the ERS program through better feedback on user information needs.

USDA's Assistant Secretary for Economics Designate Ewen Wilson started the session with comments about increasing ERS-industry interaction. Patrick O'Brien, director of ERS's Commodity Economics Division, moderated the session.

Session topics included an outlook overview (Donald Seaborg) and presentations on the outlook for trade outlook (John Dunmore), crop acreage and government programs (Samuel Evans), dairy (James Miller), and farm policy (Robert House). □

Career Planning Conference Organized

ERS economist Nancy Schwartz (786-1676) is coordinating a conference entitled "Future for Agricultural Economists: Career Opportunities and Planning," which will identify potential growth areas for jobs in agricultural economics

and provide an overview of issues and strategies for long-term career planning. Representatives from the private sector, government, and academia will discuss job opportunities and career advancement paths for agricultural economists.

Conference speakers include Mary Ahearn (ERS), Walter Armbruster (Farm Foundation), Margaret Early (Quaker Oats), Frederick Gallasch (General Motors), Cathy Jabara (U.S. Dept. of the Treasury), Jean Kinsey (U. of Minnesota), Lester Myers (ERS), Alan Randall (Ohio State U.), Evelyn Spears (Michigan Dept. of Agriculture), and Handy Williamson (U.S. Agency for International Development).

The conference will take place August 2 in East Lansing, Mich., on the day preceding the annual meeting of the American Agricultural Economics Association (AAEA). The Committee on Women in Agricultural Economics, AAEA Employment Committee, and Committee on Opportunities and Status of Blacks in Agricultural Economics are cosponsors of the conference, which is open to all AAEA meeting participants. □

ERS Cosponsors Symposium

The Commodity Futures Trading Commission, Farm Foundation, and ERS recently cosponsored a symposium on options, futures, and agricultural commodity programs.

The participants were leaders from commodity groups, farm organizations, and futures and options exchanges and university research and extension economists and government officials. They reviewed existing research and identified additional research needs on the effects on the levels and variability of commodity prices, farmers' revenues, and government costs of:

- individual farmer's use of commodity futures and options markets,
- existing government programs, and
- possible government programs that operate through or increase farmers' awareness of futures and options markets and related forward contracts.

The symposium is part of a study being carried out by ERS economists Joseph Glauber, Richard Heifner, Gerald Plato, Theresa Sun, and Bruce Wright (786-1868). □

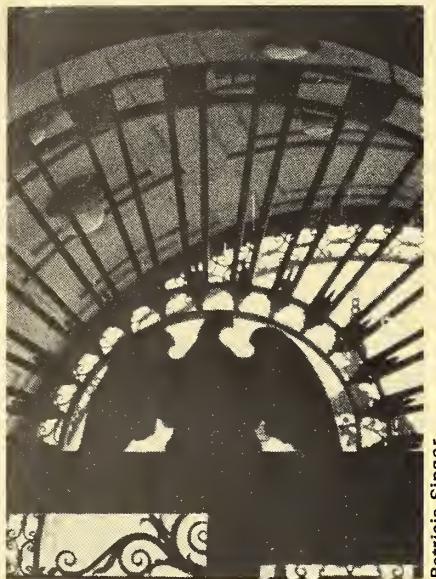
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Current Research

U.S. Congress Requests Marketing Loan Study

ERS economists Joseph Glauber (786-1840) and Michael Hanthorn are conducting a study to compare the cost of price support and production control programs during 1987/88 with the cost of such



Patricia Singer

Arches at the entrance of USDA Administration Building frame elaborate wrought iron focusing on an American eagle.

programs if marketing loans were established. The study is part of the USDA response to the *Farm Disaster Assistance Act of 1987*. The Act directed the Secretary of Agriculture to submit a report to Congress on the reasons why marketing loan programs are not in effect for wheat, feed grains, and soybeans.

The study will compare the effectiveness of existing marketing loan programs for rice and cotton in 1986/87 and 1987/88 with potential marketing loan programs that could be authorized by the Secretary of

Agriculture for wheat, feed grains, and soybeans. The study will also include an analysis of whether the generic certificate program authorized by the Secretary affects prices of exported commodities the same as marketing loan programs. □

USDA Examines Alternative Agriculture

USDA Assistant Secretary for Science and Education Orville Bentley has formed a task force to encourage and guide new research and education on low-input, low-cost farming methods and on alternative enterprises, now often referred to as "alternative agriculture."

The creation of the task force is partly in response to the research and education title of the *Food Security Act of 1985*, which calls for a research inventory and future plans for research on viable, environmentally sound agricultural production approaches. Formation of the task force also reflects a growing awareness that alternative agriculture can mean a new path to profitable farming that protects the quality of the environment.

Neill Schaller (786-1449) represents ERS on the task force. □

Survey Reveals That Feed Mills Are Fewer But Larger

The number of U.S. feed mills stood at 6,600 in 1984, compared with 7,900 at the beginning of the 1970's. The output of feed mills, however, rose to a per-mill average of 17,200 tons in 1984, up from 16,500 tons in 1975, according to the preliminary results of a

nationwide feed survey conducted by ERS economists Mark Ash (786-1840) and William Lin.

Feed manufacturers in the Corn Belt, Southern Plains, Southeast, and Lake States accounted for 60 percent of U.S. formula feed tonnage in 1984, up from a 50-percent share in 1975. Feed mills in the Corn Belt continue to lead all U.S. regions in formula feed production, producing 18 percent of total U.S. manufactured feed in 1984; the Southern Plains ranked second, and the Southeast third. The Southeast (Alabama, Georgia, Mississippi, South Carolina, and Florida) leads the Nation in formula feed production per mill, averaging 46,000 tons of formula feed per mill in 1984. □

Sugarbeet Model Developed

ERS researchers Annette Clauson and Frederic Hoff (786-1770) are completing a study of the

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Economic Research Service

Vol. 5, No. 4, July/Aug. 1987

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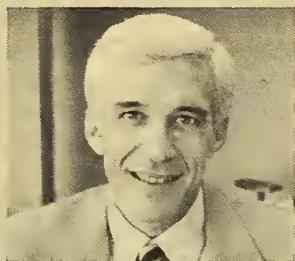
Kathryn Lipton, Robert Rovinsky,

and Neill Schaller

The *ERS Newsletter* is published bimonthly and distributed free to ERS employees, colleagues, and retirees. Subscription requests and address changes (nine-digit zip code is required) should be addressed to the Editors, *ERS Newsletter*, ERS/USDA, Rm. 1212, 1301 New York Ave. NW, Washington, DC 20005-4788 (202-786-3310).

Associate Administrator's Letter—Summer Slowdown? Not Quite

As we begin the summer, our thoughts often turn to vacations, time away from the office, the beach, picnics, and the like. We think of summer as a time to slow down a bit, relax the schedule, and have time to reflect both on our accomplishments and our plans. While we do need time to reflect on our



programs both individually and as an agency, we frequently find ourselves with mounting commitments. The demands placed on the agency to provide information and analysis do not seem to decrease with the season, but continue to increase. Thus, our schedules are full, and we often feel under pressure.

This summer, we are in the midst of several important projects that promise to keep us busy but offer significant opportunities to contribute to the public's general understanding of critical issues. Examples include but are certainly not limited to:

- completing the series on *Issues in Agricultural Policy*;
- conducting mandated studies on marketing loans and rural economic development;
- preparing analyses and materials for trade policy discussions, including updates of producer-subsidy-equivalent and consumer-subsidy-equivalent measures;
- initiating a major program in technology assessment;
- beginning several commodity-specific studies; and
- continuing staff analyses and situation and outlook analyses and reporting.

We will also complete the initial tabulations and analysis of the 1986 *Farm Costs and Returns Survey* during the summer and will report on the financial health of agriculture. New research programs will be initiated to provide the research capital to address emerging issues, and other projects will be completed. Many ERS staff have papers or symposia accepted for the AAEA summer meeting and/or other professional meetings. Congratulations!

Our program is full, and the demands are many. Yet, we have managed to initiate and implement a reorganization. The reorganization resulted in shifts in program emphasis and individual assignments and should serve us well as we enhance our ability to provide needed information and analysis. It has progressed productively and smoothly due primarily to your cooperation and assistance. Thank you!

I hope you have a productive summer and a restful vacation.

A handwritten signature in black ink, appearing to read "Bob".

Bob Robinson

[Continued from page 2.]

U.S. sugarbeet industry that includes individual farm cost-of-production budgets and economies-of-size estimates. They developed a model that uses individual observation data directly from the 1984 sugarbeet cost-of-production portion of the *Farm Costs and Returns Survey* and that produces farm firm cost-of-production budgets and aggregated State and regional budgets.

Once the efficiency level of producing sugarbeets at the farm level is determined, the structural and financial characteristics of sugarbeet producers can be analyzed. The model combines costs of production and economies of size into a single database where each farm operation surveyed contains the data on farm expenses, farm income, and commodity-specific production information. The model is being adapted for other crops and will be used to analyze the financial and structural characteristics of farm firms. □

Have Acreage Controls Kept Land Prices Artificially High?

Using a system of cost-sharing equations for U.S. agriculture, ERS economists Robbin Shoemaker (786-1459) and Susan Offutt have analyzed the impact of U.S. acreage control programs on land values. They found that while land values have continued to decline in real terms over the past four decades, acreage controls have slowed the rate of decline. Their analysis also shows that a policy of maintaining



Farmland for sale in northern Indiana.

coordinate and integrate the staff analysis activities of the agency, and will serve as the ERS contact with the Office of the USDA Assistant Secretary for Economics on all staff analysis requests from that office, other executive branch agencies, and Congress.

Ericksen was previously Deputy Associate Administrator of ERS. He started with ERS in 1966 at the Manhattan, Kans., field office. He transferred to Washington in 1971 to work with an aggregate production analysis team, which at that time was using national models to analyze policy problems.

From 1974 to 1976, Ericksen worked at the ERS field office at Stillwater, Okla., where his principal assignment with the Agricultural Policy Analysis (APA) Program Area was liaison with the Oklahoma State faculty on analysis of national policy issues and on the use of the POLYSIM model.

Ericksen returned to Washington in August 1976 as a senior staff analyst in APA. He subsequently assumed leadership of APA in 1977. In 1980, he became chief of the Crops Branch in ERS's National Economics Division (NED). He spent June 1984 through June 1985 at Australia's Bureau of Agricultural Economics (BAE) as part of the ERS-BAE staff exchange program and was reassigned as chief of NED's Food and Agricultural Policy Branch when he returned.

Ericksen has a B.S. (with distinction) and an M.S. from the U. of Nebraska and a Ph.D. from Kansas State U. He was selected for membership in Alpha Zeta, Gamma Sigma Delta, and Sigma Xi honorary societies as an undergraduate. He has received a USDA Certificate of Merit and two

Personnel Notes

Ericksen To Coordinate Staff Analysis

Milton Ericksen has been selected to be the ERS Agency Staff Coordinator for Staff Analysis, a



Carolyn Riley

newly established senior grade position in the Office of the Administrator. He will be working with the ERS program divisions to

ERS Administrator's Special Merit Awards. Also, he was a member of APA when that group received the first American Agricultural Economics Association's Excellence Award for Policy Analysis. □

Aldrich Named CED Assistant Director

Lorna Aldrich is the new assistant director of the Commodity Economics Division (CED). Her principal function will be to



Carolyn Riley

coordinate the division's staff analysis. Since June 1986, Aldrich had been the leader of the Situation and Outlook Section, Western Europe Branch, in the former International Economics Division. From 1980-83, she was the economics editor of *Agricultural Outlook*, for which she received an ERS Administrator's Special Merit Award. In 1983, she was coeditor of *Agricultural Economics Research*.

During 1983-86, Aldrich worked in the Current Business Analysis Division of the U.S. Dept. of Commerce. She has also held positions at the U. of Texas (Austin) in its Dept. of Economics, Bureau of Business Research, and Center for

Energy Studies. While at the U. of Texas, Aldrich authored two dozen reports and articles on economic developments in the United States.

Aldrich has a B.A. from Rutgers U., an M.A. from Michigan State U., and a Ph.D. from the U. of Texas (Austin). □

Monaco Is New ARED Section Leader

Ralph Monaco is the new leader, Macroeconomics Section, National Economy and History Branch, Agriculture and Rural Economy Division (ARED). Monaco joined ERS in 1985 to work on situation and outlook in macroeconomics. He was formerly an econometrician at the Central Intelligence Agency working on energy demand models for developed countries.



Carolyn Riley

Monaco has a B.A. in mathematics and economics from the College of William and Mary and a Ph.D. in economics from the U. of Maryland. He received an ERS Administrator's Special Merit Award for outstanding situation and outlook work. □

Offutt Is New RTD Section Leader

Susan Offutt has been named leader, Technology and Research Assessment Section, Inputs, Technology, and Productivity



Carolyn Riley

Branch, Resources and Technology Division (RTD). She was formerly assistant professor in the Dept. of Agricultural Economics at the U. of Illinois. Offutt, who specialized in public policy analysis after joining the U. of Illinois in 1982, spent 1985-86 in Washington working with ERS under a cooperative agreement on the effects of adoption of new technology.

Offutt's research has included studying the interaction between technology and weather in influencing crop yields and the impacts of technology on the use and quality of inputs and on the structure of agriculture.

Offutt received a B.S. in economics and political science from Allegheny College and M.S. and Ph.D. degrees in agricultural economics from Cornell U. □

Townsend Is New CED Section Leader

Terry Townsend is the new leader of the Food Grains Analysis Section, Crops Branch, Commodity



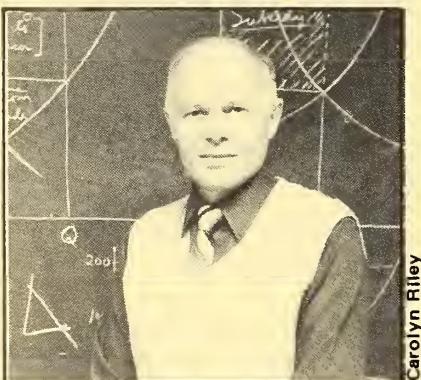
Carolyn Riley

Economics Division (CED). Townsend joined ERS in 1983 as the coordinator of the *Cotton and Wool Outlook and Situation Report*. Since 1985, he has been the economics editor of *Agricultural Outlook*.

Townsend received a B.S. in agricultural economics from Iowa State U. and M.S. and Ph.D. degrees from Oregon State U. He received an ERS Administrator's Special Merit Award for outstanding contribution to the cotton and wool outlook and situation work. □

Sharples Selected for ERS-BAE Exchange Program

Jerry Sharples has been selected as ERS's 1987/88 exchange economist to work in Canberra with Australia's Bureau of Agricultural Economics (BAE).



Carolyn Riley

He is currently leader of the Agricultural and Commodity Policy Section, Agricultural and Trade Policy Branch, Agriculture and Trade Analysis Division. Prior to moving to Washington in 1985, he worked in ERS field offices in Ohio, Iowa, and Indiana.

During his 30-year career with ERS, Sharples has been a student of U.S. farm production, farm policy and, more recently, international trade. While in Australia, Sharples will study factors shaping Australia's longrun export supply of farm commodities.

Sharples has B.A. and M.S. degrees in agricultural economics from Ohio State U. and a Ph.D. in agricultural economics from Iowa State U. □

Highlights of Staff Activities

Agriculture and Rural Economy Division

Alan Bird gave the keynote address at the Great Plains Agricultural Council meeting in Fort Collins, Colo. • Kenneth Deavers and Richard Long participated in an Organization for Economic Cooperation and Development meeting to formulate rural development policies, in Paris, France • David Harrington, James Johnson, and Jerome Stam briefed a group of Japanese economists and bankers on the status of the U.S. Farm Credit System, FmHA, and the prospects for U.S. agriculture • and Harrington and Norman Reid presented papers at the Rural South in Crisis Conference, in Atlanta. □

Agriculture and Trade Analysis Division

Robert Christiansen assisted in the preparation and presentation of a report on the impact of eliminating the fertilizer subsidy program to Malawi government officials, in Malawi • Brian D'Silva, Michael Kurtzig, and Lawrence Witucki (CED) met with Ilunga Nday, adviser on agricultural affairs to President Mobutu of Zaire to discuss ERS research on development issues in Africa and availability of data and publications on both international and domestic agriculture • D'Silva also met with Felix Masanzu, chief economist of the Agricultural Marketing Authority (AMA) of Zimbabwe, on development of an agricultural pricing model and mechanisms for transferring data between ERS and AMA • Kurtzig also discussed the dairy buyout program as it relates to the Middle East and North Africa with Susannah Tarbush of the *Middle East Economic Digest* for an article comparing U.S. cattle export prices with EC prices • and Vernon Roningen presented a paper on "The Liberalization of Agricultural Support in the United States, Canada, the European Community, and Japan" at a GATT workshop on Agriculture Policy Modeling at the U. of Western Ontario, in London, Canada. □

Commodity Economics Division

Verner Grise presented a paper on the tobacco situation and outlook at the 38th South Carolina Tobacco Warehouse Association Meeting, in Myrtle Beach • Richard Heifner, Gerald Plato, and Joseph Glauber participated in a General Accounting Office symposium on

cattle futures trading • **Mack Leath** and **Linwood Hoffman** represented ERS on a USDA task force studying the feasibility and appropriateness of adjusting Commodity Credit Corporation grain premium and discount schedules • and **Tanya Roberts** testified on the economic costs of foodborne illnesses at a hearing by the Senate Committee on Agriculture, Nutrition, and Forestry. □

Resources and Technology Division

Bradley Crowder presented a paper on "Issues in Water Quality Modeling of Agricultural Management Practices" at the American Water Association's Symposium on Monitoring, Modeling, and Mediating Water Quality, in Syracuse • **Michael Dicks** presented a paper on implications of the *Food Security Act of 1985* for nonindustrial private forestry at a meeting of midwestern and southern forest economists, in Asheville • **Ralph Heimlich** is on a committee to plan the 1987 Grazing Lands Forum, sponsored by organizations interested in ties between livestock grazing and natural resources • **Heimlich** also participated in a conference on America's New Economic Geography at Rutgers U.'s Center for Urban Policy Research • **Richard Magleby**, **Anthony Grano**, **Stan Daberkow**, **Vedula Murti**, and **Edward Allen** (ATAD) discussed U.S. and Brazilian agriculture with **Jorge Madelra**, chairman of the Economics Department, U. of Brasília • **John Schaub** and **Lloyd Teigen** (CED) participated in an Agricultural Research Institute conference on public understanding and attitudes regarding biotechnology • **Utpal Vasavada**, visiting economist from the U. of Georgia, gave a seminar

on Dynamic Behavior of Asset Prices in Agriculture at the U. of Maryland • and **Ed Young** was appointed to the Editorial Board of the *Northeast Journal of Agricultural and Resource Economics*. □

Office of the Administrator

John Lee participated in a conference on "Economy-Wide Effects of Farm Support Policies" sponsored by the Trade Policy Research Center, in London • **Lee** also met with members of the Executive Committee of the Great Plains Agricultural Committee (GPAC), in Fort Collins • **Lee** and **Neill Schaller** (RTD), **Gene Wunderlich** (RTD), and **Thomas Hady** (ARED) participated in the first conference of the Social Science Agricultural Agenda Project, in Minneapolis • **Bob Robinson** participated in the agricultural outlook conference, in Minneapolis • **Robinson** also participated in a meeting of Southern Experiment Station directors, in Athens, Ga., and in a Southern Extension Public Affairs, Marketing, and Farm Management meeting, in Asheville • and **Lyle Schertz** presented a paper at the Rural South in Crisis Conference, in Atlanta. □

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